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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
March 1965

Volume 9

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Released Pursuant to \$1090.27(j) and \$1090.85, USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

NEW DAIRY SUPPORT PRICES

The U. S. Department of Agriculture on March 18, 1965 announced national average support prices of \$3.24 per hundredweight for manufacturing milk and 59.4 cents per pound of butterfat for the April 1965 - March 1966 marketing year, prices that reflect 75 percent of the parity prices for the two commodities. The comparable prices for the 1964-65 marketing year, also at 75 percent of parity, were \$3.15 and 58.0 cents.

MARKET SUMMARY - MARCH 1965

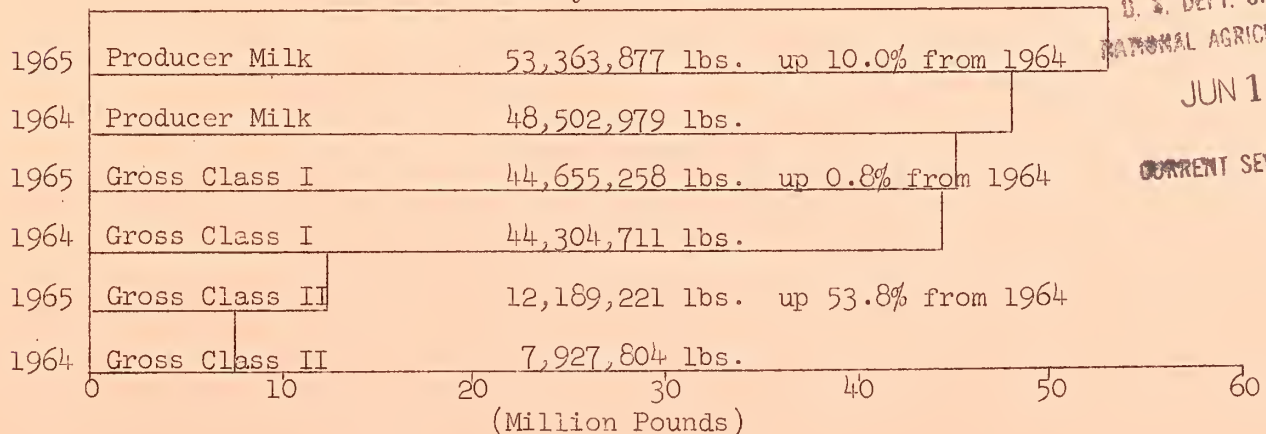
The Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 3.5% are: Base Milk \$4.67, Excess Milk \$2.73. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 3.5%. It is understood the Chattanooga Area Milk Producers Association will pay a 21 cent premium on Base deliveries or \$4.88 per cwt.

During March 81.8% of the total producer milk was priced in Class I at \$4.97 per cwt. with a butterfat differential of 7.5 cents and 18.2% priced in Class II at \$2.77 per cwt. with a butterfat differential of 6.7 cents. The daily average use of Gross Class I decreased 1.2% compared with February 1965 and increased 3.6% compared with March 1964.

The daily average producer deliveries was 590,445 pounds in March 1965, a decrease of 802 pounds per day compared with February 1965 and an increase of 57,282 pounds compared with March 1964. Percentage-wise, March deliveries decreased 0.1% compared with February 1965 and increased 10.7% compared with March 1964. Base milk was 93.5% and excess milk was 6.5% of the total producer deliveries. All excess milk and 12.6% of base milk was priced in Class II and 87.4% of base milk was priced in Class I.

LABORATORY ACTIVITIES - Producer Fresh Milk Tests 5,649 - Handler Products 222. During March an average of 8.4 samples per producer was used to determine butterfat content and pay test. Other samples were used by the plants and various agencies to determine water, bacteria, solids-not-fat, antibiotics, etc.

PRODUCER RECEIPTS COMPARED TO GROSS CLASS UTILIZATION
January thru March



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CURRENT SERIAL RECORDS

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% Mar. '65 Over Mar. '64	Mar. 1965	Feb. 1965	Mar. 1964
Number of Plants (Pool and Non-Pool)		12	12	13
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk - Base	+ 10.7	552,135	-	498,683
- Excess	+ 11.1	38,310	-	34,480
- Total	+ 10.7	590,445	591,247	533,163
Other Source	+ 26.6	15,186	14,198	11,991
Other Federal Orders	- 37.1	20,683	27,870	32,908
Total Milk Receipts	+ 8.3	626,314	633,315	578,062
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	+ 5.0	413,309	408,750	393,742
Fluid Skim	- 14.7	20,435	22,202	23,964
Buttermilk	+ 2.2	42,706	41,744	41,806
Flavored Milk and Drink	+ 0.8	11,128	11,046	11,045
Fluid Cream (Sweet and Sour)	- 10.0	2,595	2,671	2,884
Other (Shrinkage, Inventory, etc.)		2,064	576	1,009
Transfers to Non-Pool Plants		1,643	12,984	2,154
Total Class I Milk	+ 3.6	493,880	499,973	476,604
Class II Uses:				
Ice Cream Mixes		39,680	29,076	19,210
Cottage Cheese		20,954	20,296	24,208
Powdered and Condensed Milk		12,739	28,348	22,659
Livestock Feed and Skim Dumped		5,344	5,555	3,415
Shrinkage Class II		11,107	8,237	10,838
Other (Butter, Inventory, etc.)		(2,419)	1,387	6,667
Transfers to Non-Pool Plants		45,029	40,443	14,461
Total Class II Milk	+ 30.5	132,434	133,342	101,458
Class I Lbs. In Marketing Area	+ 10.4	309,213	301,471	279,970
Class I Lbs. Outside Marketing Area	- 6.1	184,667	198,502	196,634
Gross Class I Butterfat Pounds	+ 4.0	17,707	18,002	17,027
Gross Class II Butterfat Pounds	+ 20.7	7,736	8,117	6,407
Total Butterfat Pounds	+ 8.6	25,443	26,119	23,434
% Producer Milk of Gross Class I		119.6	118.3	111.9
% Producer Milk priced in Class I		81.8	82.5	88.7

APRIL 1965 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Apr. '65	Mar. '65	Apr. '64
Basic Formula	\$3.22	\$3.22	\$3.15
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.00	0.18
Class I Price, 3.5% Butterfat	\$4.97	\$4.97	\$5.08
Per \$ 1090.51(a)			
Supply-Demand Comparison: 1st and 2nd preceding months: February and March			
Supply: Lbs. Producer Milk (Feb. 16,554,914 and Mar. 18,303,799)			34,858,713
Demand: Lbs. Net Class I Milk (Feb. 13,896,939 and Mar. 15,173,740)			29,070,679
Utilization Percentage: Producer milk divided by Class I			120
Standard Utilization Percentage: Range 119-123			120
Net Deviation Percentage: Utilization minus Standard Utilization			-0-
Supply-Demand Adjustment: 2 cents x 0 percentage points			\$0.00

The price is not adjusted by the supply-demand formula, since the supply in relation to the demand is within the desired standard utilization range of 119-123.

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

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MARCH 1965	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		15,310,292	3.585		
Less Other Source		345,420	2.873		
Producer Milk Class I	81.8	14,964,872	3.601621	\$5.046216	\$755,159.77
Gross Class II		4,105,452	5.842		
Less Other Source		766,525	2.141		
Producer Milk Class II	18.2	3,338,927	6.691132	4.908058	163,876.47
TOTAL PRODUCER MILK (Cl. I + Cl. II)	100.0	18,303,799	4.165201		919,036.24
Add Fractional Adjustment					.01
Add Value of Other Source Receipts					
Prorated to Class I and Location Adj.		73,135			3,132.51
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,862.05
Total Value at Test		18,376,934	4.158909	5.060859	930,030.81
Less Test over 3.5% @ 7.2¢ per point		18,376,934	.658909	.474414	87,182.75
TOTAL UTILIZATION VALUE AT 3.5%		18,376,934	3.5	4.586445	\$842,848.06
Less Reserve Per \$1090.71(f)		18,376,934		.046445	
WEIGHTED AVERAGE PRICE - 3.5% TEST		18,376,934	3.5	\$4.54	
Less FMP from Unregulated Supply Plants allocated to Class I @ Wt. Av. Price		73,135	3.5	\$4.54	\$ 3,320.33
TOTAL PRODUCER MILK		18,303,799			\$839,527.73
		Pounds	Price	Amount	
Excess Producer Milk Used in Class I		-	-	-	
Excess Producer Milk Used in Class II		1,187,624	\$2.77	\$32,897.18	
Total Value of Excess Milk		1,187,624	2.77	32,897.18	
Less Prod.-Settlement Fund Reserve @ 4¢		1,187,624	.04		\$ 475.05
UNIFORM EXCESS PRICE - 3.5% TEST		1,187,624	2.73		32,422.13
Total Value of Base Milk		17,116,175	4.712680		806,630.55
Less Producer-Settlement Fund Reserve		17,116,175	.042680		7,305.18
UNIFORM BASE PRICE - 3.5% TEST		17,116,175	\$4.67		\$799,325.37

MARCH 1965 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$4.31	\$2.37	4.0	\$5.03	\$3.09	5.0	\$5.75	\$3.81
3.05	4.346	2.406	4.05	5.066	3.126	5.05	5.786	3.846
3.1	4.382	2.442	4.1	5.102	3.162	5.1	5.822	3.882
3.15	4.418	2.478	4.15	5.138	3.198	5.15	5.858	3.918
3.2	4.454	2.514	4.2	5.174	3.234	5.2	5.894	3.954
3.25	4.49	2.55	4.25	5.21	3.27	5.25	5.93	3.99
3.3	4.526	2.586	4.3	5.246	3.306	5.3	5.966	4.026
3.35	4.562	2.622	4.35	5.282	3.342	5.35	6.002	4.062
3.4	4.598	2.658	4.4	5.318	3.378	5.4	6.038	4.098
3.45	4.634	2.694	4.45	5.354	3.414	5.45	6.074	4.134
3.5	4.67	2.73	4.5	5.39	3.45	5.5	6.11	4.17
3.55	4.706	2.766	4.55	5.426	3.486	5.55	6.146	4.206
3.6	4.742	2.802	4.6	5.462	3.522	5.6	6.182	4.242
3.65	4.778	2.838	4.65	5.498	3.558	5.65	6.218	4.278
3.7	4.814	2.874	4.7	5.534	3.594	5.7	6.254	4.314
3.75	4.85	2.91	4.75	5.57	3.63	5.75	6.29	4.35
3.8	4.886	2.946	4.8	5.606	3.666	5.8	6.326	4.386
3.85	4.922	2.982	4.85	5.642	3.702	5.85	6.362	4.422
3.9	4.958	3.018	4.9	5.678	3.738	5.9	6.398	4.458
3.95	4.994	3.054	4.95	5.714	3.774	5.95	6.434	4.494

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Mar. '64	\$4.77 ^{2/}	\$4.92	\$2.71	7.4¢	\$5.07	7.5¢	\$2.75	6.7¢
Apr.	4.72 ^{2/}	4.97	2.65	7.4	5.08	7.5	2.69	6.7
May	4.63 ^{2/}	4.89	2.62	7.2	5.07	7.5	2.66	6.7
June	4.78 ^{2/}	5.00	2.62	7.4	5.19	7.5	2.66	6.7
July	4.72 ^{2/}	4.99	2.62	7.4	5.16	7.5	2.66	6.7
Aug.	4.51	-	-	7.2	5.05	7.5	2.66	6.8
Sept.	4.60	-	-	7.6	4.80	7.7	3.26	7.1
Oct.	4.71	-	-	7.8	4.87	8.0	3.23	7.0
Nov.	4.83	-	-	7.8	5.10	7.9	3.30	7.2
Dec.	4.75	-	-	7.8	5.10	8.1	3.18	6.8
Jan. '65	4.66	-	-	7.4	5.06	7.7	3.12	6.7
Feb.	4.59	-	-	7.2	5.00	7.5	2.80	6.7
Mar.	4.54 ^{2/}	4.67	2.73	7.2	4.97	7.5	2.77	6.7
Apr.	-	-	-	-	4.97	7.5	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg.Grade Milk \$-cwt-3.5%
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg.	Chi.92 ⁰ Butter	Chi.Area Powder	
			\$-cwt-4%	¢ Lb.	¢ Lb.	
Mar. '64	2.75	3.12	3.081	57.97	14.25	3.15
Apr.	2.69	3.12	3.025	57.97	14.19	3.12
May	2.66	3.12	3.000	57.97	14.22	3.12
June	2.66	3.12	3.000	57.97	14.24	3.11
July	2.66	3.12	3.000	58.00	14.23	3.12
Aug.	2.66	3.19	3.000	59.51	14.30	3.15
Sept.	2.72	3.26	3.075	61.32	14.30	3.24
Oct.	2.77	3.23	3.119	60.47	14.29	3.27
Nov.	2.79	3.30	3.150	62.27	14.23	3.29
Dec.	2.81	3.18	3.150	59.24	14.20	3.29
Jan. '65	2.81	3.12	3.144	58.00	14.23	3.25
Feb.	2.80	3.12	3.138	57.99	14.27	3.22
Mar.	2.77	3.12	3.106	57.99	14.25	3.22

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA 3/				Deliveries Per			Prod.
	No.	Total	Class I	Class I	Total	Base	No.	Farm----			Milk
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	Test
Mar. '64	13	578,062	476,604	472,818	533,163	498,683	678	786	736	50	4.15
Apr.	13	611,874	485,721	481,865	556,173	499,659	658	845	759	86	4.05
May	13	624,657	467,902	464,241	558,588	497,049	654	854	760	94	3.95
June	13	584,658	452,652	449,792	530,133	482,237	655	809	736	73	3.91
July	13	575,476	449,846	445,827	536,759	476,599	655	819	728	91	3.91
Aug.	13	635,915	465,231	460,229	591,239	-	685	863	-	-	3.94
Sept.	13	655,234	549,204	544,006	618,771	-	683	906	-	-	3.99
Oct.	13	612,364	542,789	537,353	579,109	-	682	849	-	-	4.24
Nov.	13	614,949	507,098	501,079	577,284	-	680	849	-	-	4.24
Dec.	12	609,776	496,019	489,978	577,562	-	681	848	-	-	4.29
Jan. '65	12	635,352	495,024	489,397	596,941	-	679	879	-	-	4.21
Feb.	12	633,315	499,973	487,604	591,247	-	676	875	-	-	4.22
Mar.	12	626,314	493,880	482,738	590,445	552,135	673	877	820	57	4.17

^{1/} Excludes Premiums^{2/} For Statistics Only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I